

**PERFORMANCE AGREEMENT**

MADE AND ENTERED INTO BY AND BETWEEN:

**THE //KHARA HAIS MUNICIPALITY  
AS REPRESENTED BY THE MAYOR**

**LIMAKATSO ALFONSINA KOLOI**

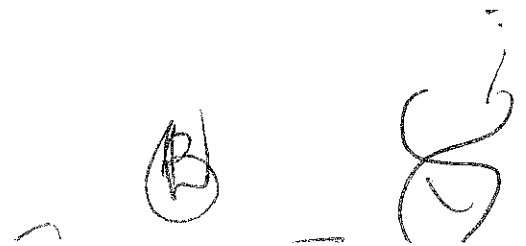
AND

**DALIXOLO ERIC NGXANGA**

**THE EMPLOYEE OF THE MUNICIPALITY**

FOR THE

**FINANCIAL YEAR: 1 JULY 2016 - 30 JUNE 2017**

Handwritten signatures of the Mayor (Limakatso Alfonsina Kolo) and the employee (Dalixolo Eric Ngxanga) are present at the bottom of the page.

## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

The //Khara Hais Municipality herein represented by **Limakatso Alfonsina Kolo** in her capacity as Mayor (hereinafter referred to as the **Employer** or **Supervisor**)

and

**Dalixolo Eric Ngxanga** Employee of the Municipality (hereinafter referred to as the **Employee**).

### WHEREBY IT IS AGREED AS FOLLOWS:

#### 1. INTRODUCTION

- 1.1 The **Employer** has entered into a contract of employment with the **Employee** in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The **Employer** and the **Employee** are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the **Employee** to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

#### 2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- 2.1 comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Act as well as the employment contract entered into between the parties;
- 2.2 specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- 2.3 specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- 2.6 in the event of outstanding performance, to appropriately reward the employee; and
- 2.7 give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

### 3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **01 July 2016** and will remain in force until **30 June 2017** thereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the **Employee's** contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### 4 PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out-
- 4.1.1 the performance objectives and targets that must be met by the **Employee**; and
- 4.1.2 the time frames within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the **Employer** in consultation with the **Employee** and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the **Employer**, and shall include key objectives; key performance indicators; target dates and weightings.
- 4.2.1 The key objectives describe the main tasks that need to be done.
- 4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
- 4.2.3 The target dates describe the timeframe in which the work must be achieved.
- 4.2.4 The weightings show the relative importance of the key objectives to each other.
- 4.3 The **Employee's** performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the **Employer's** Integrated Development Plan.

## 5 PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The **Employee** agrees to participate in the performance management system that the **Employer** adopts or introduces for the **Employer**, management and municipal staff of the **Employer**.
- 5.2 The **Employee** accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the **Employer**, management and municipal staff to perform to the standards required.
- 5.3 The **Employer** will consult the **Employee** about the specific performance standards that will be included in the performance management system as applicable to the **Employee**.
- 5.4 The **Employee** undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework.
- 5.5 The criteria upon which the performance of the **Employee** shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
- 5.5.1 The **Employee** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Leading Competencies (LCs) and the Core Managerial Competencies (CMCs) respectively.
- 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
- 5.5.3 KPAs covering the main areas of work will account for 80% and LCs AND CMCs will account for 20% of the final assessment.
- 5.6 The **Employee's** assessment will be based on his / her performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (**Annexure A**), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the **Employer** and **Employee**:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	%
Municipal Institutional Development and Transformation	40%
Local Economic Development (LED)	%
Municipal Financial Viability and Management	%
Good Governance and Public Participation	60%
<b>Total</b>	<b>100%</b>

- 5.7 In the case of managers directly accountable to the municipal manager, key performance areas related to the functional area of the relevant manager, must be subject to negotiation between the municipal manager and the relevant manager.
- 5.8 The LCs and CMCs will make up the other 20% of the **Employee's** assessment score.



6.4 LEADING AND CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
LEADING COMPETENCIES (LC)		WEIGHT
Strategic Direction and Leadership	Impact and influence	8.34%
	Institutional Performance Management	
	Strategic Planning and Management	
	Organisational Awareness	
People Management	Human Capital Planning and Development	8.34%
	Diversity Management	
	Employee Relations Management	
	Negotiation and Dispute Management	
Program and Project Management	Program and Project Planning and Implementation	8.34%
	Service Delivery Management	
	Program and Project Monitoring and Evaluation	
Financial Management	Budget Planning and Execution	8.34%
	Financial Strategy and Delivery	
	Financial Reporting and Monitoring	
Change Leadership	Change Vision and Strategy	8.34%
	Process Design and Improvement	
	Change Impact Monitoring and Evaluation	
Governance Leadership	Policy Formulation	8.34%
	Risk and Compliance Management	
	Cooperative Governance	
<b>CORE COMPETENCIES (CMs)</b>		
Moral Competence		8.34%
Planning and Organising		8.34%
Analysis and Innovation		8.34%
Knowledge and Information Management		8.34%
Communication		8.34%
Results and Quality Focus		8.34%
		<b>100%</b>

## 6. EVALUATING PERFORMANCE

6.1 The Performance Plan (Annexure A) to this Agreement sets out -

6.1.1 the standards and procedures for evaluating the **Employee's** performance; and

6.1.2 the intervals for the evaluation of the **Employee's** performance.

- 6.2 Despite the establishment of agreed intervals for evaluation, the **Employer** may in addition review the **Employee's** performance at any stage while the contract of employment remains in force.
- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.
- 6.4 The **Employee's** performance will be measured in terms of contributions to the goals and strategies set out in the **Employer's** IDP.
- 6.5 The annual performance appraisal will involve:

**6.5.1 Assessment of the achievement of results as outlined in the performance plan:**

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
- (b) An indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score.

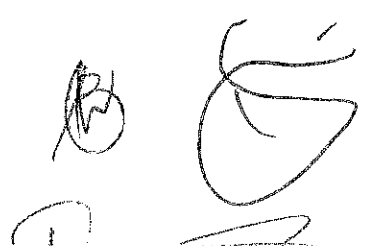
**6.5.2 Assessment of the Competencies**

- (a) Each Competency should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each Competency.
- (c) This rating should be multiplied by the weighting given to each Competency during the contracting process, to provide a score.
- (d) The applicable assessment rating calculator must then be used to add the scores and calculate a final Competency score.

**6.5.3 Overall rating**

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

- 6.6 The assessment of the performance of the **Employee** will be based on the following rating scale for KPA's and Competencies:



Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.					

6.7 For purposes of evaluating the annual performance of the **Employee**, an evaluation panel constituted of the following persons must be established -

- 6.7.1 Mayor;
- 6.7.2 Chairperson of the audit committee ;
- 6.7.3 Member of the executive committee;
- 6.7.4 Mayor from another municipality, and
- 6.7.5 Member of ward committee as nominated by the Mayor

6.8 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panel referred to in 6.7 above.

## 7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each **Employee** in relation to his / her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

<b>First quarter</b>	:	By 31 October 2016
<b>Second quarter</b>	:	By 31 January 2017
<b>Third quarter</b>	:	By 30 April 2017
<b>Fourth quarter</b>	:	By 31 July 2017

7.2 The **Employer** shall keep a record of the mid-year review and annual assessment meetings.

7.3 Performance feedback shall be based on the **Employer's** assessment of the **Employee's** performance.

7.4 The **Employer** will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The **Employee** will be fully consulted before any such change is made.

7.5 The **Employer** may amend the provisions of Annexure "A" whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the **Employee** will be fully consulted before any such change is made.

## 8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

## 9. OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall –

9.1.1 create an enabling environment to facilitate effective performance by the employee;

9.1.2 provide access to skills development and capacity building opportunities;

9.1.3 work collaboratively with the **Employee** to solve problems and generate solutions to common problems that may impact on the performance of the **Employee**;

9.1.4 on the request of the **Employee** delegate such powers reasonably required by the **Employee** to enable him / her to meet the performance objectives and targets established in terms of this Agreement; and

9.1.5 make available to the **Employee** such resources as the **Employee** may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of this Agreement.

## 10. CONSULTATION

10.1 The **Employer** agrees to consult the **Employee** timeously where the exercising of the powers will have amongst others –

10.1.1 a direct effect on the performance of any of the **Employee's** functions;





10.1.2 commit the **Employee** to implement or to give effect to a decision made by the **Employer**; and

10.1.3 a substantial financial effect on the **Employer**.

10.2 The **Employer** agrees to inform the **Employee** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable the **Employee** to take any necessary action without delay.

## 11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The evaluation of the **Employee's** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2 A performance bonus of between 5% to 14% of the all-inclusive annual remuneration package may be paid to the **Employee** in recognition of outstanding performance to be constituted as follows:

11.2.1 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and

11.2.2 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

11.3 In the case of unacceptable performance, the **Employer** shall –

11.3.1 provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and

11.3.2 after appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Employer** may consider steps to terminate the contract of employment of the **Employee** on grounds of unfitness or incapacity to carry out his or her duties.

## 12. DISPUTE RESOLUTION

12.1 Any disputes about the nature of the **Employee's** performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by –

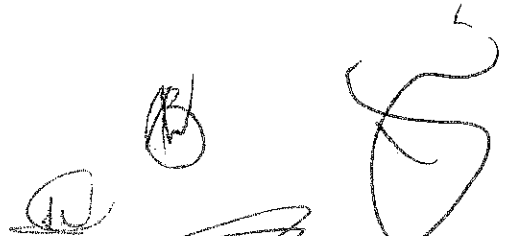
12.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the **Employee**; or

12.1.2 any other person appointed by the MEC.

12.1.3 In the case of managers directly accountable to the municipal manager, a member of the municipal council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the employee;

whose decision shall be final and binding on both parties.

12.2 In the event that the mediation process contemplated above fails, clause 22 of the Contract of Employment shall apply.



**13. GENERAL**

- 13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the **Employer**.
- 13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the **Employee** in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.
- 13.3 The performance assessment results of the municipal manager must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

**14 SIGNATURES OF PARTIES TO THE AGREEMENT**

- 14.1 The contents of this document have been discussed and agreed with the incumbent of this position.
- 14.2 As Mayor, I sign this agreement on behalf of the Municipality.  
This agreement comes into effect on 1 July 2016 irrespective of the date of signing of the agreement

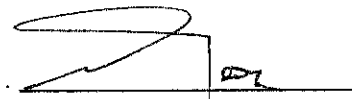
Thus **done** and **signed** at Upington on this the 29<sup>th</sup> day of July 2016

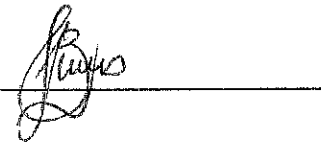
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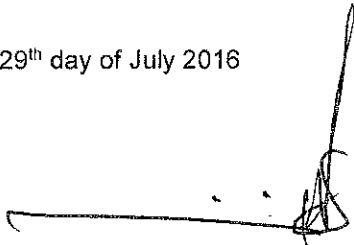
1. 


2. 

**AS WITNESSES:**

1. 

2. 

  
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**DALIXOLO ERIC NGXANGA**  
**EMPLOYEE**

  
\_\_\_\_\_  
**LIMAKATSO ALFONSINA KOLOI**  
**MAYOR**

ANNEXURE A : PERFORMANCE PLAN MM 2016/17

IDP REF	Description (From KPI)	Q1	Q2	Q3	Q4	AN	Organizational KPA	Weight %	KFA	Department	Section	Sub-Section
KPI 01	PMS framework : Signed Performance Agreements for all Section 57 employees by 30 June 2017 (Financial year 2017/2018)	0	0	0	3	3	KPA 06: Institutional Development and Organizational Transformation	10	Development Priority 10: Administrative and Institutional capacity	0	0	0
KPI 08	Actual Operational expenditure / Operational Budget. 5% deviation of actual operational expenditure of departmental budget by 30 June 2017	0	0	0	3	3	Good governance	20	Development Priority 10: Administrative and Institutional capacity	0	0	0
KPI 09	3 year Risk based audit rolling plan and annual operational plan submitted to Audit Committee by 30 June 2017	0	3	0	0	3	Development Priority 10: Administrative and Institutional Capacity	10	Institutional development and organisational transformation	0	0	0
KPI 10	Project clean audit: to maintain a clean audit opinion	0	0	4	0	4	KPA 07: Good Governance	10	Development Priority 10: Administrative and Institutional capacity	0	0	0
KPI 11	Actual Capital expenditure / Capital budget. 95% of capital expenditure of unallocated funds by 30 June 2017	3	4	3	3	3	KPA 07: Good Governance	20	Development Priority 10: Administrative and Institutional capacity	0	0	0
KPI 12	Compilation and approval of Section 72 Report by 25/01/2017	3	3	3	3	3	Institutional development and organisational transformation	10	Development Priority 10: Administrative and Institutional Capacity	0	0	0

ANNEXURE A : PERFORMANCE PLAN MM 2016/17

KPI 13	Compilation and submission of Section 46 report by 31/08/2016	3	3	3	3	3	3	3	KPA 06: Institutional Development and Organizational Transformation	10	KFA 13 : Align institutional arrangements to provide an effective and efficient support service to deliver on organisational objectives	0	0	0	0
KPI 14	Quarterly evaluations of all Section 66 employees	3	3	3	3	3	3	3	Good governance	10	Development Priority 10: Administrative and Institutional capacity	0	0	0	0

# Annexure C 2016/2017

Skills Performance Gap	Outcomes Expected	Suggested training and /or development activity	Suggested mode of delivery	Suggested Time Frames	Work opportunity created to practice skill/development area	Support Person
1.						
2.						
3.						

Signed and accepted by the Employee

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Date: 29 July 2016

Signed by the Executive Mayor on behalf of the Municipality

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Date: 29 July 2016

ANNEXURE A: PERFORMANCE PLAN 2016/17 DIRECTOR DEVELOPMENT PLANNING

IDP REF	Description (From KPI)	Q1	Q2	Q3	Q4	AN	Organizational KPA	Weight %	KFA	Department	Section	Sub-Section	EDIT
	5% deviation of actual expenditure vs departmental budget by 30 June 2017	0	0	0	0	0	Financial Viability	10	Development Priority 10: Administrative and Institutional capacity	Directorate Planning & Development	0	0	<u>VIEW</u>
	90% of DORA allocations spent by 30 June 2017	0	0	0	0	0	Service Delivery and Infrastructure Development	30	Enable and improve financial viability and management through well-structured budget processes, financial systems, and MFMA compliance through legislative requirements	Directorate Planning & Development	0	0	<u>VIEW</u>
	Required information submitted for compilation of Annual Report to Auditor General by 31/08/2017	0	3	0	0	0	Good Governance	5	Development Priority 10: Administrative and Institutional capacity	Directorate Planning & Development	0	0	<u>VIEW</u>
	80% of assigned council resolutions executed by end	4	4	0	0	0	Good Governance	10	Development Priority 10: Administrative and Institutional capacity	Directorate Planning & Development	0	0	<u>VIEW</u>
	Quarterly evaluations of all Section 66 employees	3	3	0	0	0	Institutional Development and Organizational Transformation	5	Align institutional arrangements to provide an effective and efficient support service to deliver on organisational objectives	Directorate Planning & Development	0	0	<u>VIEW</u>

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ANNEXURE A: PERFORMANCE PLAN 2016/17 DIRECTOR DEVELOPMENT PLANNING

LED programmes and initiatives tangibly demonstrates IDP and SDF objectives : 80% development approvals, as reflected in Council resolutions, in line with IDP and SDF objectives per quarter	3	0	0	0	0	0	0	0	Local Economic Development	10	Development Priority 8: Economic Growth and Job Creation	Directorate Planning & Development	0	0	<u>VIEW</u>
Establishment of parks in various areas	0	0	0	0	0	0	0	0	Service Delivery and Infrastructure Development	5	Development Priority 9: Community Development and Facilities	Directorate Planning & Development	0	0	<u>VIEW</u>
Development of New Sports Grounds	0	0	0	0	0	0	0	0	Service Delivery and Infrastructure Development	5	Development Priority 9: Community Development and Facilities	Directorate Planning & Development	0	0	<u>VIEW</u>
The number of jobs created through municipality's local, economic development initiatives including capital projects (MIG)	0	0	0	0	0	0	0	0	Local Economic Development	10	Development Priority 8: Economic Growth and Job Creation	Directorate Planning & Development	0	0	<u>VIEW</u>

*[Handwritten signatures and initials]*

ANNEXURE A: PERFORMANCE PLAN 2016/17 DIRECTOR DEVELOPMENT PLANNING

Paving streets - PABALELLO	0	0	0	0	0	0	10	Development Priority 9: Community Development and Facilities	Directorate Planning & Development	0	0	VIEW
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